



PIHLAJALINNA

January–September 2022

CEO Joni Aaltonen

4 November 2022



Q3 MAIN POINTS

Revenue increased considerably, investments in the service network and recruitments weakened profitability

- Revenue amounted to EUR 165.2 million, an increase of 17.5 %
 - The decrease in COVID-19 services affected the revenue EUR -9.5 million
 - Organic growth EUR 14 million
 - M&A transactions EUR 20 million
- The customer volumes of Pihlajalinna's private clinics increased 47 %
- Of all customer appointments 45 % took place via remote services, an increase of 34 %
- The number of practitioners and available appointments increased by 32 % year-on-year, surgical operations grew 61 %
- Adjusted EBITDA EUR 18.9 million (EUR 19.3 million)
- Adjusted EBITA EUR 9.4 million (EUR 12.3 million)
- The preparation of wellbeing services counties continues – Pihlajalinna has an excellent capability to continue with the existing contracts as a partner with the wellbeing services counties



KEY FIGURES

	7–9/2022 3 months	7–9/2021 3 months	change %	1–9/2022 9 months	1–9/2021 9 months	change %	2021
Revenue, EUR million	165.2	140.6	17.5	502.1	423.1	18.7	577.8
Adjusted EBITDA, EUR million	18.9	19.3	-2.5	52.2	50.4	3.5	65.3
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA), EUR million	9.4	12.3	-23.5	24.4	29.5	-17.1	37.3
Earnings per share (EPS), EUR	0.14	0.31	-53.1	0.45	0.70	-35.3	0.89
Gearing, %				308.9	176.9	74.6	158.8
Interest-bearing net debt, EUR million				388.8	211.0	84.3	194.7
Net debt/adjusted EBITDA, 12 months				5.8	3.2	81.9	3.0
Cash flow from operating activities, EUR million	6.7	8.8	-24.4	42.4	32.1	32.2	56.9
Gearing, excluding IFRS 16, %				140.0	104.6	33.9	90.8
Interest-bearing net debt excluding IFRS 16, EUR million				182.2	127.5	42.9	113.8
Net debt/adjusted EBITDA, excluding IFRS 16, 12 months				4.0	2.5	59.3	2.3

Q3 2022 REVENUE BY CUSTOMER GROUP

Corporate customers

- Revenue EUR 52.8 million, an increase of 69 %
- The customer volumes of Pihlajalinna's private clinics increased by 64 % year-on-year
- Without the M&A transactions, customer volumes would have increased by 24 % year-on-year
- Sales to insurance company customers increased by EUR 15.5 million.

Private customers

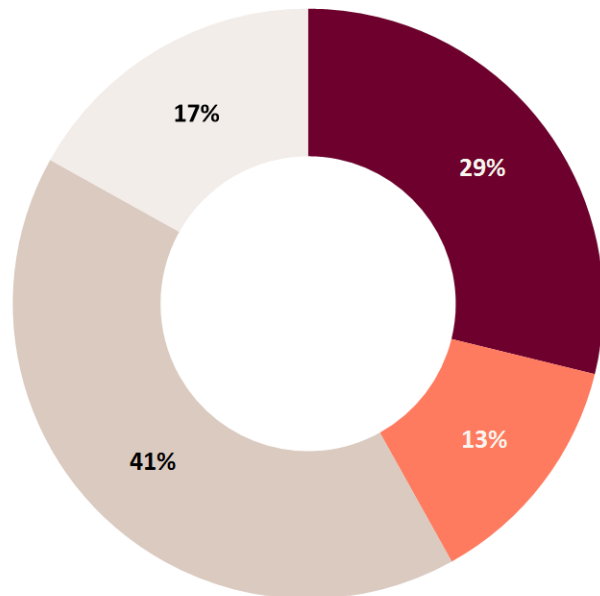
- Revenue EUR 23.9 million, an increase of 27.2 %
- The customer volumes of Pihlajalinna's private clinics increased by 33 % year-on-year
- Without the M&A transactions, customer volumes would have increased by 7 per cent year-on-year

Public sector

- Revenue EUR 106.3 million, a decrease of 1,7 %
- Organic growth was EUR -2.8 million due to the decrease in COVID-19 services
- Revenue from complete and partial outsourcing agreements increased due to the index adjustments stipulated by the agreements.
- The customer volumes of Pihlajalinna's private clinics increased by 21 % year-on-year

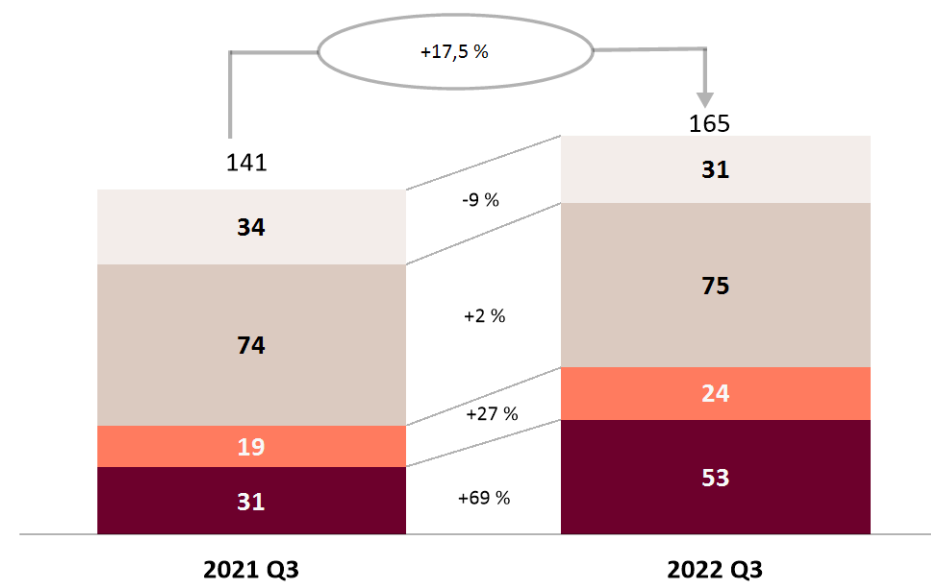
REVENUE BY CUSTOMER GROUP

REVENUE BY CUSTOMER GROUP Q3 2022, %



■ Corporate customers ■ Private customers ■ Complete and partial outsourcing ■ Other services to public sector

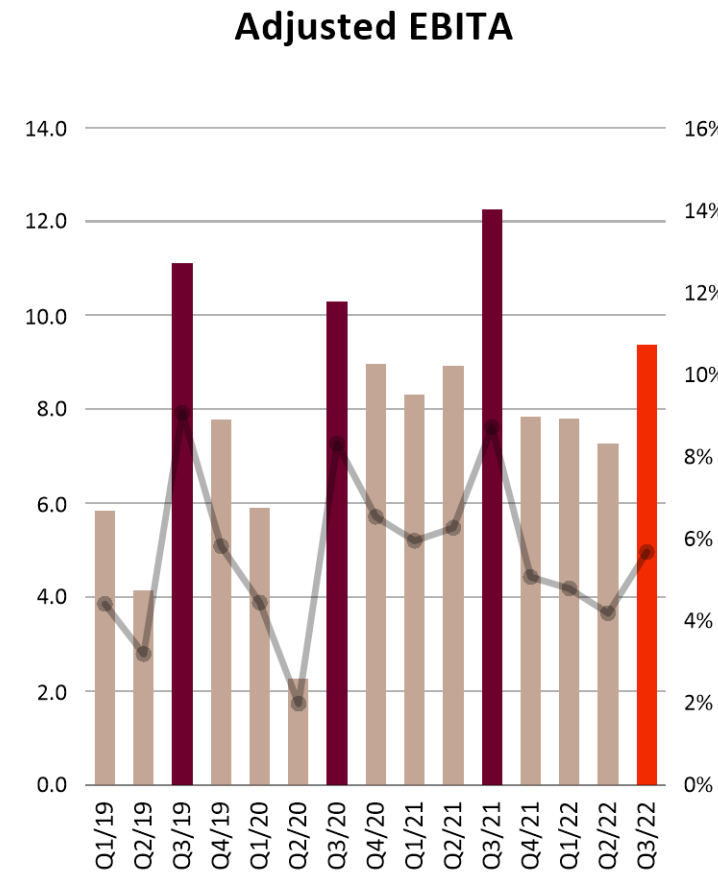
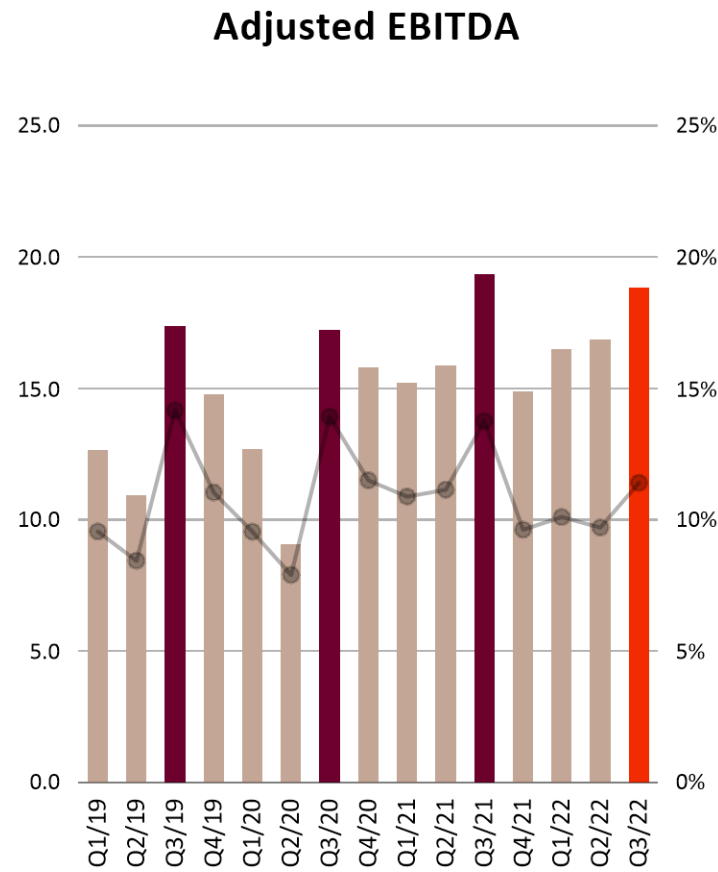
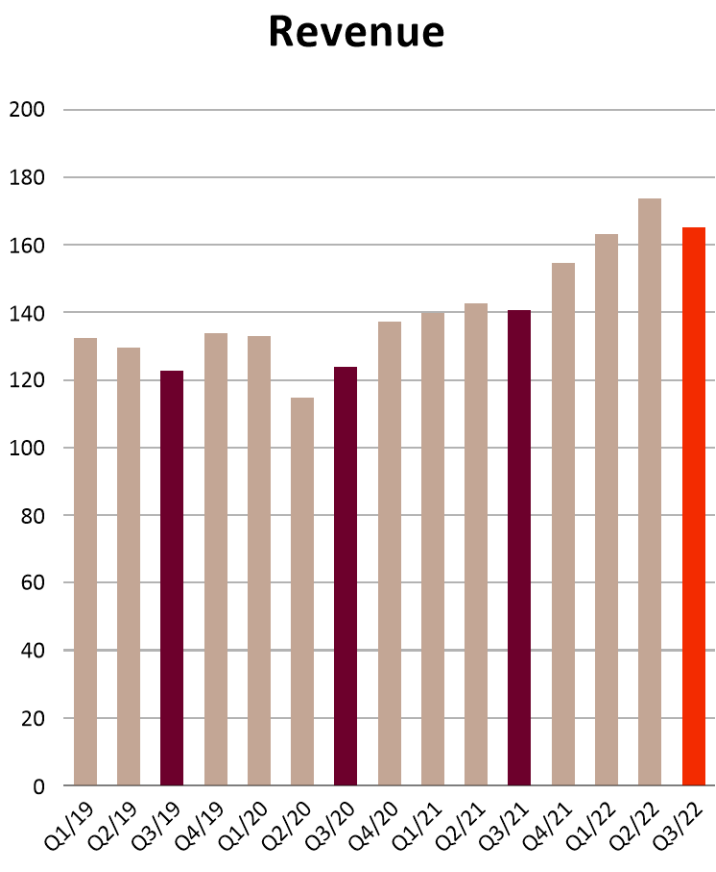
REVENUE BY CUSTOMER GROUP Q3 2022, EUR MILLION



■ Corporate customers ■ Private customers ■ Complete and partial outsourcing ■ Other services to public sector

CONSOLIDATED REVENUE AND PROFITABILITY

EUR MILLION



BUSINESS STRUCTURE AND PROFITABILITY

Complete and partial outsourcing, eliminated	Q3 2022	Q3 2021	change-%	Q3 2022 YTD	Q3 2021 YTD	change-%	2021	2020	2019
Revenue, EUR million	70.2	68.4	2.6	209.6	205.8	1.9	277.0	264.2	262.4
Adjusted EBITDA, EUR million	6.0	3.1	89.7	11.6	6.5	78.6	6.7	11.0	17.5
Adjusted EBITDA, %	8.5	4.6	84.8	5.5	3.2	75.3	2.4	4.2	6.7
Adjusted EBITA, EUR million	5.3	2.5	113.0	9.6	4.5	110.7	4.1	8.5	15.4
Adjusted EBITA, %	7.5	3.6	107.5	4.6	2.2	106.9	1.5	3.2	5.9

BUSINESS STRUCTURE AND PROFITABILITY

Group excluding complete and partial outsourcing, eliminated	Q3 2022	Q3 2021	change-%	Q3 2022 YTD	Q3 2021 YTD	change-%	2021	2020	2019
Revenue, EUR million	105.0	82.7	27.0	323.3	249.8	29.4	343.7	282.0	290.8
Adjusted EBITDA, EUR million	12.9	16.2	-20.2	40.6	44.0	-7.6	58.6	43.8	38.2
Adjusted EBITDA, %	12.3	19.6	-37.2	12.6	17.6	-28.6	17.1	15.5	13.1
Adjusted EBITA, EUR million	4.1	9.8	-57.7	14.9	25.0	-40.2	33.3	18.9	13.4
Adjusted EBITA, %	3.9	11.8	-66.7	4.6	10.0	-53.8	9.7	6.7	4.6

PIHLAJALINNA'S OUTLOOK FOR 2022

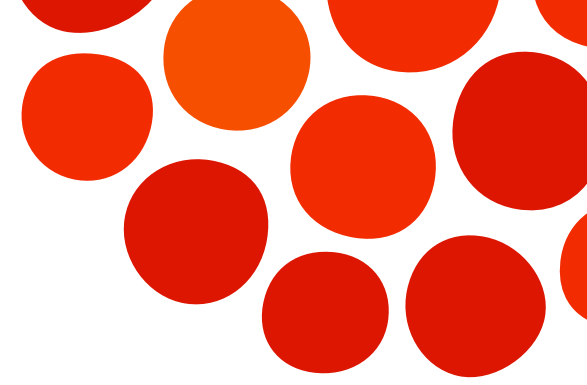
Pihlajalinna's full year consolidated revenue is expected to increase substantially, and full year adjusted operating profit before the amortisation and impairment of intangible assets (EBITA) is expected to be on a par with 2021.

Due to Pohjola Hospital integration and efficiency improvement programs in municipal companies, the adjusted EBITA from the first half of the year stays below the bar of the previous year as anticipated.

In 2022, Pihlajalinna will focus on the integration of Pohjola Hospital operations to be a seamless part of its Medical Center for All of Finland -concept.

Maintaining profitability on a par with 2021 will require success in increasing supply, realization of the planned synergies of the acquisitions, and successful implementation of efficiency improvements in municipal companies.

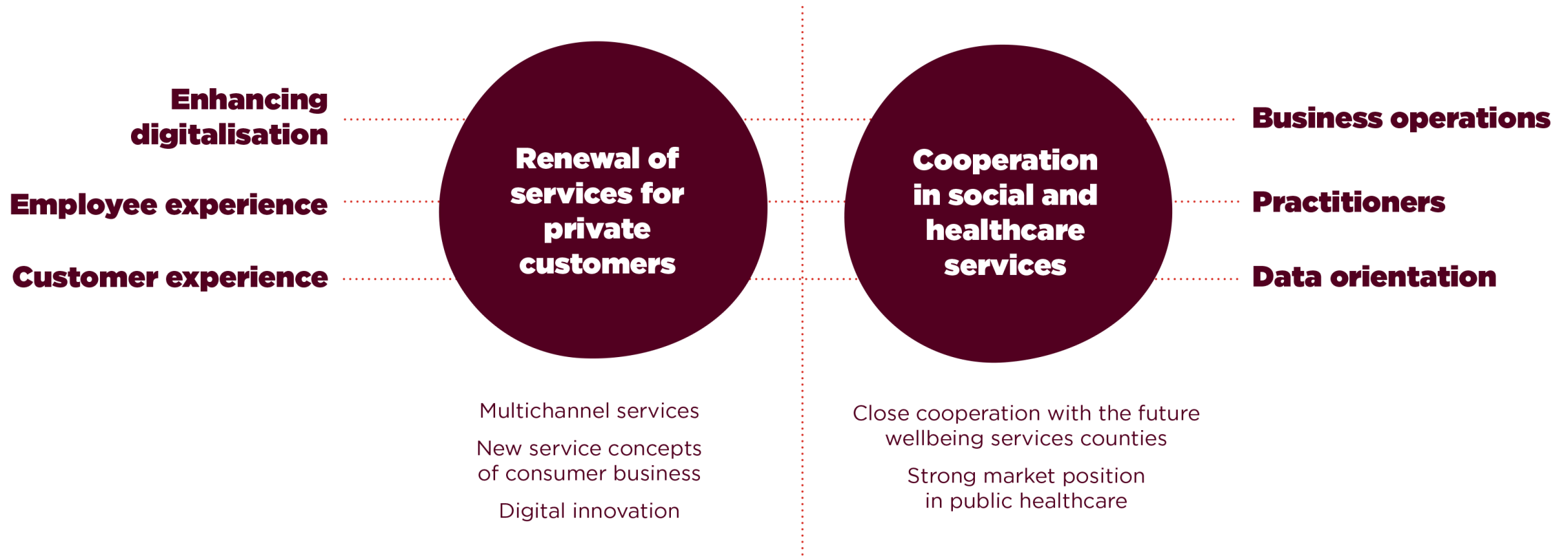




**STRATEGY IS PROGRESSING
AS PLANNED**

PIHLAJALINNA'S STRATEGY 2021-2025

STRATEGIC PRIORITIES





THE GROWTH OF SPECIALISED CARE SERVICES, THE EXPANSION OF EMERGENCY SERVICES

- We have increased our emergency and on-call services especially in major cities in Finland.
 - Comprehensive emergency and on-call services currently in Helsinki, Tampere and Oulu.
- We are investing in the growth of services in specialised care.
- The integration of Pohjola Hospital's services into Pihlajalinna has gone well. The pursuit of synergies continues.
- Comprehensive service network in high value-added hospital services, in which we are increasing supply and opening hours.
- The number of surgical operations grew 61 %.

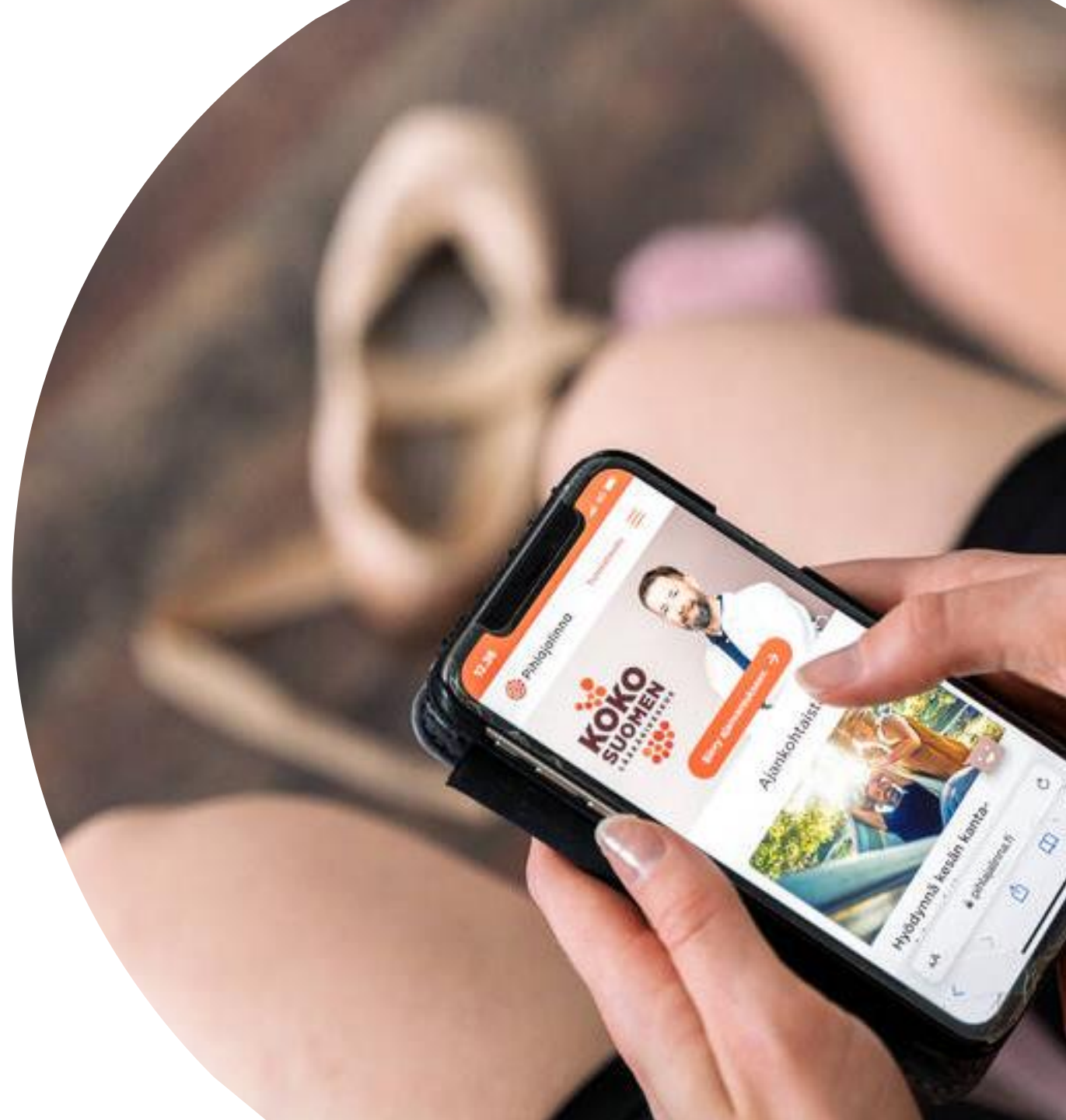


THE NEW WELLBEING SERVICES COUNTIES BEGIN TO OPERATE 1 JANUARY 2023

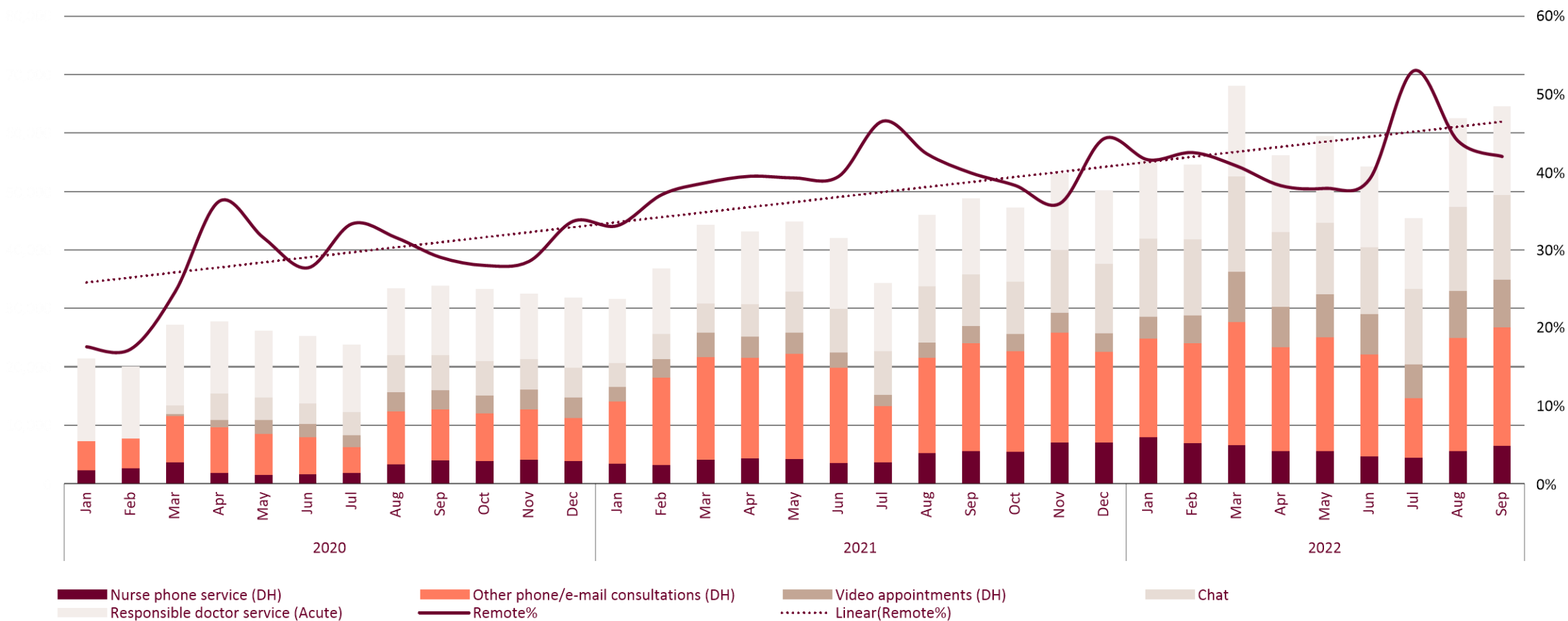
- The wellbeing services counties will start to operate in a challenging situation – over 150,000 people are in the queue for non-urgent medical care in Finland. Almost 14 % have waited over 6 months.
- The queues for treatment are still growing – 7 % increase in those who have been in the queue over 6 months compared to the year before.
- The increase of the aging population and their need for non-urgent specialised care especially in major cities in Finland – the average waiting time is 71 days, and almost 9,000 people have been waiting more than 6 months.
- The targets for access to care have been elevated – a strong driver for service procurement.
- Pihlajalinna has more than 20 years of experience in public healthcare partnerships.

REMOTE SERVICES

- The number of remote service appointments increased by 34 % year-on-year.
- Remote services represented 45 % of all appointments.
- The profitability of remote services improved year-on-year due to higher volumes.
- In paediatrician and mental health services the growth has been especially fast.
- Strong digital expertise supports the wellbeing services counties co-operation: easy-to-integrate remote service models part in the service procurement of the public sector operators
- The digital revolution in healthcare is progressing fast and requires a comprehensive review of operating models - the comprehensive customer path for treatment starts more often in a remote channel.



REMOTE SERVICE APPOINTMENTS



SUMMARY

- 1 Considerable growth in revenue, +17.5 %
Organic growth without COVID-19 services +10 %.
- 2 Investments in the service network and recruitments weakened profitability – the service network close to targeted level.
- 3 A comprehensive path for treatment starts more and more often in remote channels – remote services represented 45 % of all appointments, an increase of 34 %
- 4 The investment in emergency and on-call services and high value-added hospital services continued – Pohjola Hospital's services and locations were integrated.
- 5 The wellbeing services counties start to operate in 1 January 2023. Pihlajalinna has an excellent capability to continue with the existing contracts as a partner with the wellbeing services counties.



Q&A





Thank You!

Upcoming events

- Financial Statements Release 2022: Friday, 17 February 2023
- Financial statements and Board of Directors' report: no later than in week 11
- Pihlajalinna Plc's Annual General Meeting is scheduled for Tuesday, 4 April 2023.

Please contact:

Chief Financial Officer

Tarja Rantala

+35840 774 9290

tarja.rantala@pihlajalinna.fi

Vice President,
Communications and sustainability

Tuula Lehto

+358 40 588 5343

tuula.m.lehto@pihlajalinna.fi